



JOINT FEDERAL AGENCY STATEMENT REGARDING NAVAJO GENERATING STATION

The Navajo Generating Station (NGS) is a coal-fired power plant located on the Navajo Indian Reservation near some of our country's most treasured natural resources. It is significant to the United States because of its unique location and the critical roles that it plays in providing power and water and supporting economic development for the State of Arizona, Navajo Nation, Hopi Tribe, Gila River Indian Community, and numerous other tribal and non-tribal water users who depend on the Central Arizona Project (CAP), and millions of other people in the region. The NGS owners and stakeholders and the Federal Government are working to ensure that the critical roles that NGS currently plays are maintained into the future while we continue to take steps to lower emissions from the NGS and protect the people and landscapes impacted by the plant's operations.

The 2,250 MW NGS is the largest coal-fired power plant in the West. It is located on the Navajo Reservation near Page, Arizona, and has been in operation since 1974. The U.S. Bureau of Reclamation is its largest single owner, owning 24.3 percent of the plant. Five utilities own the remaining 75.7 percent: Salt River Project, Arizona Public Service, Tucson Electric Power, NV Energy, and Los Angeles Department of Water and Power. Over the last few decades, NGS has invested in several pollution control technologies to reduce its emissions, but it remains one of the largest sources of nitrogen dioxide (NO_x) air pollution in the Country. Emissions from NGS affect visibility at 11 National Parks and Wilderness Areas, and contribute to ozone and fine particle pollution in the region.

A number of Federal agencies oversee Federal interests and responsibilities related to NGS. In addition to the Bureau of Reclamation's role as a part-owner of NGS, five additional agencies of the Department of the Interior (DOI) (National Park Service; Bureau of Indian Affairs; Office of Surface Mining Reclamation and Enforcement; Bureau of Land Management; and Fish and Wildlife Service) have direct roles relating to NGS or the coal mine located within the boundaries of the Navajo Nation and the Hopi Tribe reservations. The Environmental Protection Agency (EPA) has a Clean Air Act regulatory role relating to air quality and visibility in the region, which includes promulgating Best Available Retrofit Technology (BART) requirements for NGS. The Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy, Office of Indian Energy Policy and Programs, and National Laboratories have technical expertise related to clean energy development and production in Indian country. This Joint Statement does not alter these authorities and responsibilities.

This Joint Statement lays out the goals of the three Agencies' with respect to NGS and energy production in the region currently served by NGS. It also details specific actions we intend to take to further those goals.

Goals: The DOI, DOE, and EPA will work together to support Arizona and tribal stakeholders' interests in aligning energy infrastructure investments made by the Federal and private owners of the NGS (such as upgrades that may be needed for NGS to comply with Clean Air Act emission requirements) with long term goals of producing clean, affordable and reliable power, affordable and sustainable water supplies, and sustainable economic development, while minimizing negative impacts on those who currently obtain significant benefits from NGS, including tribal nations. These goals will inform Federal decisions moving forward. In addition, working together, the Agencies intend to pursue the following actions:

1. Create a long-term DOI-EPA-DOE Navajo Generating Station Working Group

The three Agencies have created an NGS Working Group comprised of Deputy Secretaries from DOI and DOE and the Deputy Administrator from EPA as well as key staff from each relevant office or bureau in each Agency. The DOI is lead for the working group, which will involve additional Federal agencies as appropriate. The purpose of this NGS Working Group is to collect sound, scientifically based information on issues relating to NGS for the Federal Government, and to help ensure that the three Agencies work with stakeholders to complete the NGS Roadmap (see item 2 below).

2. Work with stakeholders to develop a Navajo Generating Station roadmap

The NGS Working Group intends to work with stakeholders, including NGS plant owners, Navajo Nation, Hopi Tribe, CAP, Gila River Indian Community and other Arizona Indian tribes who receive water from CAP, non-Indian CAP water users, and environmental and community groups, to develop a roadmap for accomplishing the goals described above. The roadmap should include action recommendations and initial steps to begin implementing key recommendations. It should be consistent with Federal trust responsibilities to federally recognized Indian tribes in the region.

3. Complete the Phase 2 report on Navajo Generating Station clean energy options

Under the direction and coordination of the NGS Working Group, DOI, EPA, and DOE intend to jointly support, through funding or other means, and working together with other NGS owners, tribes and stakeholders, the DOE National Renewable Energy Laboratory's (NREL) "Phase 2" Navajo Generating Station report will analyze a full range of clean energy options for NGS over the next several decades. This Phase 2 NGS report is scheduled to be initiated in 2013 and will build on preliminary findings from the last chapter of the 2011-2012 NREL "Phase 1" report titled "Navajo Generating Station and Air Visibility Regulations: Alternatives and Impacts." The results of this report will inform further development of the NGS roadmap (see item 2 above).

4. Support shorter term investments that align with long term clean energy goals

The three Agencies will work together with stakeholders to identify and implement actions that support implementation of the BART requirements at NGS in a way that reduces emissions while supporting the goals described above in both the near term and the long term. A primary consideration will be fulfillment of Federal trust responsibilities to Indian tribes affected by NGS. Agency actions may include reviewing current and expected future agency resources (grants, loans, and other applicable resources) for potential use towards pollution control, renewable energy

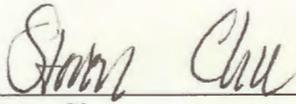
development, water delivery, or other regional needs, and seeking funding to cover expenses for plant pollution control or other necessary upgrades for the Federal portion of NGS.



Ken Salazar
Secretary
Department of the Interior

JAN 04 2013

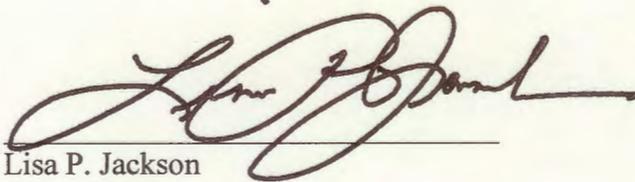
Date _____



Steven Chu
Secretary
Department of Energy

JAN 4 2013

Date _____



Lisa P. Jackson
Administrator
Environmental Protection Agency

JAN 4 2013

Date _____